

problems in the Department of Defense, it deals only with persons who can be covered by the Department of Defense. These other committees can make exceptions if they wish, but this matter is exclusively within the purview of the Appropriations Act. This is not new language. It is merely amendatory language to language which has been in appropriation bills for the last two fiscal periods.

The fact that it concerns mail is because it is the action of this body as a Congress, which directed that the defense mail be used through the Department. The existence of the Department of the Post Office is purely parenthetical and has no connection with the Department of Defense. As a matter of fact, the CAB does not rule on the Department of Defense but it can rule on the Post Office Department.

Mr. TABER. Mr. Chairman, I would like to call attention to one thing, that if there had been anything of this kind in an appropriation bill, it would have been subject to a point of order. It would not be an item that they would have had jurisdiction over.

Mr. FLOOD. I just want to add this word in reply to what my friend from New York said. While it may be academic, if my amendment is not germane and if this point of order is sustained, then the entire section of this bill is likewise not germane; likewise completely out of order.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Pennsylvania [Mr. Flood] has offered an amendment to strike section 32 which reads:

There is herewith authorized to be made available appropriations of the Department of Defense for reimbursement to the Post Office Department for payment of costs of commercial air transportation of military mail between the United States and foreign countries.

The amendment offered by the gentleman from Pennsylvania [Mr. Flood] reads:

The Secretary of Defense is authorized to provide for the commercial air transportation of military mail between the United States and foreign countries—

With further language. It appears from the reading of the amendment offered by the gentleman from Pennsylvania [Mr. Flood] that it is germane, and the point of order is overruled.

Mr. VINSON. Mr. Chairman, the Committee on Armed Services has not sufficient information to advise the House on this matter, as we have not made a study of it, but will be happy to say that the distinguished chairman of the subcommittee on appropriations, [Mr. MAHON], of Texas, is fully qualified to present views in opposition to this amendment, which he will now ask permission to do.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would not say that I am fully qualified to discuss this issue, but I think I can bring it into a little clearer focus. I regret to rise to oppose the amendment offered by the gentleman from Pennsylvania.

Mr. Chairman, we have been discussing from time to time throughout the year the status of the Military Air Transport Service. We are spending hundreds of millions of dollars on this service, and there are some controversial features in connection with it. Now, as I understand it, the Department of Defense, in its own airplanes, can take all the mail overseas it wishes to take. The way the mail is handled now is through commercial carriers by contract, and the law provides, as I believe you already understand, that rates are fixed in negotiation between the Civil Aeronautics Board and the Post Office Department.

Under the present law the Civil Aeronautics Board has the jurisdiction to fix rates for the transport of mail, and what the amendment seeks to do is to take from the CAB the right to fix the rates for the transport of this type mail. Now, that decision is quite clear, and, as pointed out by the gentleman from Pennsylvania, mail is not considered as cargo. So, the Defense Department has to comply with the regulations of the law with respect to that matter.

Two years ago the rate per ton mile was 84 cents. It is now, I believe, about 50 cents a ton mile. The gentleman from Pennsylvania said it could be as low as 23 cents. In a memorandum prepared for me by the Department of Defense it is stated that the Department does not believe that the rate could go to the low rate of 25 cents per ton mile, but that is a question of opinion.

The Department of Defense, in a memorandum supplied me, says the following:

Such a proposal would increase administrative costs substantially to the Department of Defense by duplicating the existing functions, personnel and facilities of the Post Office Department now used in negotiation and execution of contracts with commercial airlines. That is to say, it would be necessary for the Department of Defense to establish a separate unit or organization, hire personnel and prescribe procedures for an activity now being carried on by the Post Office Department.

For the carrying of this mail in 1955 the Department of Defense paid a lump sum of \$6 million. In 1956 the amount paid was around \$12 million by all the services. The estimate for 1957 is just slightly above that figure.

What would happen if the amendment is adopted is this. If the Department of Defense contracts with these non-scheduled carriers—and I assume that is the object here, to help the nonscheduled carrier or to help the regular commercial carrier, but more particular the nonscheduled carrier—if a contract is made to carry the mail at a lower rate by some other carrier than the carrier who is now performing this service he will not get this money, he will lose that revenue and that difference has got to be made up through a subsidy or otherwise.

The Northwest Airlines in the Pacific have no subsidy. TWA has no subsidy. Pan American does have a small subsidy. But this reduction of business, this reduction of income from the major airlines, officials of the Government tell

me—and it is perfectly logical—would result in reducing their income and bringing about a situation in which subsidies would perhaps have to be offered or other arrangements made. So I think probably with the Department of Defense having as much business as it does have, this \$35 billion annual operation, it might be well to let the Post Office Department and the CAB handle this matter of mail transportation. That was my feeling. I realize that there is room for differences of opinion.

Mr. HAND. Mr. Chairman, would the gentleman yield?

Mr. MAHON. I yield to the gentleman from New Jersey.

Mr. HAND. Is there anything wrong in inviting this freer competition so that the Government might save money on transportation of this mail which has been estimated to be in excess of \$10,000 or \$11,000 per day?

Mr. MAHON. As to the likelihood that the Government would save money, I do not think the gentleman from Pennsylvania [Mr. Flood] expects that the Government would necessarily save money. The Department of Defense is just one branch of the Government. It might save some money. But the repercussions upon postal rates and upon the CAB would be such that we probably would not save much money, if any at all. Traditionally, we let the postal department, handle the mail and set the rates.

Mr. HAND. That is just a hypothesis. We are not sure that would be the result. But we are sure that the Department of Defense would save money.

Mr. MAHON. We are sure now that air carriers are getting \$12 million a year for carrying this mail that they would not get if it were contracted out to the nonscheduled carriers. How you would make up that deficit is something that we would have to determine.

Mr. HAND. It seems to me that the gentleman's amendment should be considered favorably, should be adopted.

Mr. FLOOD. Mr. Chairman, would the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. The gentleman is making a very fine statement. But, as the gentleman from New Jersey [Mr. HAND] has pointed out, that is exactly my point. As the gentleman always does, he has made it much clearer than I have. That is exactly the point. It is a question of mathematics. If you fly 450,000 pounds of mail to Frankfurt at 53 cents a pound, it would cost you \$477,000. If you fly it at 25 cents, it would cost you \$170,000. Therefore, in 1 month, you save \$225,000 and with 30 days in the month that is \$8,400 a day. Even I can figure that out.

Mr. MAHON. The gentleman, I think, is seeking to make the point that instead of spending about \$12 million a year on this mail we would probably spend through the Department of Defense about half that amount.

Mr. FLOOD. That is about right.

Mr. MAHON. I think that is highly questionable. I have been in touch with the Post Office Department and

with the officials of the CAB and of the Department of Defense. It seems to me that this is such a highly technical and controversial point that the Committee on Armed Services or the Committee on Interstate and Foreign Commerce should have exhaustive hearings to determine whether or not the officials of the Government are right in saying that in the long run it would cost more money to adopt the gentleman's amendment.

Mr. VINSON. Mr. Chairman, in view of the statement made by the gentleman from Texas and in view of the fact that this matter should have thorough study, I ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD] to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7992) to enact certain provisions now included in the Department of Defense Appropriation Act and the Civil Functions Appropriation Act, and for other purposes, pursuant to House Resolution 526, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. BOW. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOW. The Committee has adopted an amendment which changes the rules of the House. My parliamentary inquiry is this: Is it proper at this time to again interpose a point of order against the report of the Committee on the ground that the rules have been changed in the Committee of the Whole?

The SPEAKER. The Committee of the Whole has reported an amendment. The Chair would be forced to hold that the point of order comes too late and will not lie at this time.

Is a separate vote demanded on any amendment?

Mr. ALLEN of Illinois. Mr. Speaker, I request a separate vote on section 27.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Sec. 27. (a) Prior to the transfer by contract of any commercial or industrial-type operation which has been performed by the Department of Defense for a period of 3 consecutive years or more and in which more than 10 civilian personnel are employed at the specific activity concerned, the Secretary of Defense shall file with the President of the Senate and the Speaker of the House

a report setting forth the details of the proposed transfer. Upon the expiration of 60 days of continuous session of the Congress following the filing of said report, the Secretary of Defense is authorized to proceed with the proposed transfer unless during such period either House shall adopt a resolution of disapproval, as hereinafter provided in this section, of the proposed transfer described in said report. For the purposes of this section, continuity of session shall be considered as broken only by adjournment of the Congress sine die; but in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain.

(b) The provisions of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions as defined in subsection (c); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(c) As used in this section, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the ----- does not favor transfer of -----, as recommended by the Secretary of Defense, that has been for a period of 3 consecutive years or more performed by more than 10 civilian personnel of the Department of Defense," the blanks therein being filled with the name of the resolving House and the operation proposed to be transferred.

(d) A resolution with respect to a transfer shall be referred to a committee (and all such resolutions shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(e) (1) If the committee to which has been referred a resolution with respect to a transfer has not reported it before the expiration of 10 calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of any other resolution with respect to such transfer which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same transfer), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same transfer.

(f) (1) Where the committee has reported, or has been discharged from further consideration of, a resolution with respect to a transfer, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order

and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed 2 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(g) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a transfer, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a transfer, shall be decided without debate.

(h) Section 638 of the act of July 13, 1955 (69 Stat. 321), cited as the "Department of Defense Appropriation Act, 1956," is hereby repealed.

The SPEAKER. The question is on the amendment.

Mr. ALLEN of Illinois. Mr. Speaker, may I advise the majority leader that on Tuesday or whenever this bill is taken up again I expect to ask for the yeas and nays on this amendment.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of the bill be postponed until Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL, 1957

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill H. R. 12138, the supplemental appropriation bill for 1957, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2864)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12138) making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 12, 15, 21, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 9, 18, 19, 25, 31, 32, 37, 40, 41, 42, 43, 44, 46, 47, 50, 54, 55, 56, 57, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$88,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

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In lieu of the matter stricken out and inserted by said amendment insert "additional projects as may be authorized by law during the Second Session of the Eighty-Fourth Congress,"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"The amount available in the Army Stock Fund is hereby reduced by \$357,000,000, such sum to be covered into the Treasury no later than December 31, 1956."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "additional projects as may be authorized by law during the second session of the Eighty-fourth Congress,"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$18,500,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "additional projects as may be authorized by law during the second session of the Eighty-fourth Congress,"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "authorizations enacted into law during the second session of the Eighty-fourth Congress,"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"Sec. 309. Any funds appropriated for Reserve Facilities by this or any other Act shall be used for the sole purpose for which they were appropriated."

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$385,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$632,500"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$250,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$300,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amend-

ment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$8,000,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,900,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$758,100"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$92,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$191,520"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "\$9,000 per annum, \$9,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 16, 22, 26, 27, 33, 34, 36, 38, 45, 58, 59, 60, and 61.

CLARENCE CANNON,
GEORGE MAHON,
HARRY R. SHEPPARD (except amendment No. 20),

ALBERT THOMAS,
MICHAEL J. KIRWAN,
W. F. NORRELL,
JAMIE L. WHITTEN,
GEORGE ANDREWS,
JOHN J. ROONEY,
J. VAUGHAN GARY,
JOHN E. FOGARTY (except amendment No. 36),

R. L. F. SIKES,
PRINCE H. PRESTON,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
BEN F. JENSEN,
H. CARL ANDERSEN,
WALT HORAN,
GORDON CANFIELD,
IVOR D. FENTON,
JOHN PHILLIPS,
ERRETT P. SCRIVNER,
F. R. COUDERT,
CLIFF CLEVINGER,
EARL WILSON,
GERALD R. FORD, Jr.,

Managers on the Part of the House.

CARL HAYDEN,
RICHARD B. RUSSELL,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
JOHN STENNIS,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
WM. F. KNOWLAND,
EDWARD J. THYE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12138) making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CHAPTER I

Department of Agriculture

Amendment No. 1: Inserts heading.

Amendment No. 2: Strikes out language proposed by the Senate authorizing use of not to exceed \$200,261 of unobligated balances of 1956 funds to reimburse individuals and organizations for expenses incurred in the control and eradication of the Khapra beetle.

Amendment No. 3: Appropriates \$2,500,000 for eradication of the Mediterranean fruit fly as proposed by the Senate. The conferees expect that Federal expenditures for the program to eradicate the Mediterranean fruit fly will be fully matched by any State affected.

Amendment No. 4: Reported in disagreement. It is intended that the amount allowed will cover the full cost of the project.

CHAPTER II

Department of Commerce

Amendment No. 5: Restores language proposed by the House relative to the costs of maintenance and operation of the Jones Point Bridge.

Independent Office

Amendment No. 6: Appropriates \$300,000 for the Advisory Committee on Weather Control as proposed by the Senate.

CHAPTER III

Central Intelligence Agency

The conference committee approves of \$49,000,000, the amount allowed by the House of Representatives and the Senate for construction of the headquarters for the Central Intelligence Agency. The committee directs that the Agency make every effort to construct a building to accommodate all of its headquarters personnel within the sum provided, and directs that none of these funds be spent in such a way as to make it necessary for the Congress to authorize additional funds at a later date. The committee further directs that none of these funds be obligated or spent until the Director of Central Intelligence has obtained from the appropriate local authorities written commitments for the construction of roads, sewage-treatment plants, public transport, and other local facilities which are deemed necessary to serve the site selected.

DEPARTMENT OF DEFENSE

*Department of the Army**Maintenance and Operations*

Amendment No. 7: Appropriates \$88,000,000 instead of \$88,369,170 as provided by the Senate. The managers desire to emphasize their belief that the reductions made in deutschmark support are not justified and that more satisfactory arrangements should be made with the Republic of Germany for the support of our troops stationed in that country.

Military Construction, Army

Amendment No. 8: Inserts statutory reference.

Amendment No. 9: Provides \$202,000,000 to be derived by transfer from the Army Stock Fund as proposed by the Senate instead of \$193,000,000 as proposed by the House. The increase of \$9,000,000 is to provide for the additional projects listed in the report of the Senate.

Reduction in Appropriation

Army stock fund

Amendment No. 10: Provides for covering reduction of currently available funds into the Treasury by not later than December 31, 1956, instead of March 31, 1957, as proposed by the Senate and immediately upon approval of the Act as proposed by the House.

Department of the Navy

Military Construction, Navy

Amendment No. 11: Inserts statutory reference.

Amendment No. 12: Appropriates \$400,000,000 as proposed by the House instead of \$418,000,000 as proposed by the Senate. The committee on conference is in agreement that the following projects shall be added to the program as approved by the House and contained in House Report No. 2638:

SHIPYARD FACILITIES, CONTINENTAL

Project:	Amount
Naval Shipyard, Boston, Mass.	\$1,072,000
Naval Shipyard, Bremerton, Wash.	1,300,000
Harbor Defense Base, Norfolk, Va.	300,000
Naval Shipyard, San Francisco, Calif.	1,300,000
Total, shipyard facilities, continental	3,972,000

AVIATION FACILITIES, CONTINENTAL

Project:	Amount
NAS, Glynnco, Ga.	170,000
NAAS, Kingsville, Tex.	592,000
NAS, Memphis, Tenn.	170,000
NAS, Atlantic City, N. J.	371,000
NAS, Brunswick, Maine.	4,977,000
NAS, Cecil Field, Fla.	297,000
NAAS, El Centro, Calif.	830,000
NAS, Key West, Fla.	170,000
NAS, Miramar, Calif.	960,000
NAS, Moffett Field, Calif.	160,000
NAS, Norfolk, Va.	170,000
NAS, North Island, San Diego, Calif.	170,000
NAS, Oceana, Va.	160,000
NAS, Quonset Point, R. I.	589,000
NAS, Whidbey Island, Wash.	287,000
MCAS, Beaufort, S. C.	1,420,000
MCAS, Cherry Point, N. C.	302,000
MCAS, El Toro, Calif.	2,803,000
NAS, Patuxent River, Md.	170,000
NAMTC, Point Mugu, Calif.	1,682,000
Total, aviation facilities, continental	16,450,000

AVIATION FACILITIES, OVERSEAS

Project:	Amount
NAS, Barbers' Point, Oahu, T. H.	870,000
NAS, Guantanamo Bay, Cuba.	3,641,000
MCAS, Kaneohe Bay, Oahu, T. H.	352,000
NS, Kodiak, Alaska	714,000
NAF, Point Lyautey, F. M.	221,000
NS, Sangley Point, P. I.	1,821,000
AEW No. 4, classified location.	1,920,000
NAS No. 3, AOA, classified location	3,393,000
Classified location—Far East aviation facilities	8,000,000
Total, aviation facilities, overseas	20,932,000

SERVICE SCHOOL FACILITIES

NTC, Bainbridge, Md.	2,569,000
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YARDS AND DOCKS FACILITIES, CONTINENTAL

Various locations: Rehabilitation of family housing	425,800
Grand total	44,348,800

The following project shall be deleted from the program approved by the House and contained in House Report No. 2638:

FLEET BASE FACILITIES

Navy Department, Washington, D. C.	\$33,000
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Department of the Air Force

Operation and Maintenance

Amendment No. 13: Appropriates \$18,500,000 instead of \$18,926,130 as provided by the Senate. Reference is made to the statement on the part of the managers in connection with amendment No. 7.

Military Construction, Air Force

Amendment No. 14: Inserts statutory reference.

Amendment No. 15: Provides \$1,228,000,000 as proposed by the House instead of \$1,238,000,000 as proposed by the Senate. The projects listed in House Report No. 2638 and Senate Report No. 2580 are approved in the amounts stated with the exception of Dublin, Ga.; Hobbs, N. Mex.; and Mitchell, S. Dak. The committee of conference agrees to defer approval of appropriations for the proposed bases at Dublin, Ga.; Hobbs, N. Mex.; and Mitchell, S. Dak., in the 1957 program. However, the Air Force is directed to study and survey its needs to determine whether or not such bases, or any one of them, are required for the Air Force program. Should the study reveal that these bases are necessary, the committee of conference agrees that the Air Force make appropriate requests for funds to the Congress through reprogramming or otherwise as determined by the Secretary of the Air Force. The committee of conference expects that the Secretary of the Air Force will report his findings, if possible, by January 31, 1957, to the Appropriations Committees of Congress.

Amendment No. 16: Reported in disagreement.

General provisions

Amendment No. 17: Inserts statutory reference.

Amendments Nos. 18 and 19: Delete provision of the House exempting unit cost limitations for three units of family quarters at the United States Naval Observatory, Washington, D. C.

Amendment No. 20: Strikes out language proposed by the House and stricken by the Senate and inserts language proposed by the Senate with a clarifying amendment. The committee on conference is agreed that the intent of the House provision relating to the apportionment of funds as expressed in the House report on the bill be carried out and reiterates the statements contained in that report. Regarding funds appropriated for Reserve Facilities, Department of the Air Force, the committee on conference is agreed that the amount to be applied for such facilities shall be in the same proportion as the total amount appropriated is to the total approved program.

Amendment No. 21: Deletes provision of the Senate restricting the use of funds appropriated for Military Construction.

Amendment No. 22: Reported in disagreement.

CHAPTER V

Executive Office of the President

Bureau of the Budget

Amendment No. 23: Appropriates \$385,000 for salaries and expenses instead of \$375,000 as proposed by the House and \$400,000 as proposed by the Senate.

Independent office

Commission on Government Security

Amendment No. 24: Appropriates \$632,500 for salaries and expenses instead of \$600,000 as proposed by the House and \$665,000 as proposed by the Senate.

President's Advisory Commission on Presidential Office Space

Amendment No. 25: Strikes out the House proposal to appropriate \$50,000 for this Commission.

CHAPTER VI

Independent offices

Federal Communications Commission

Amendment No. 26: Reported in disagreement.

General Services Administration

Amendment No. 27: Reported in disagreement.

Amendment No. 28: Appropriates \$250,000 for acquisition of land, District of Columbia, instead of \$150,000 as proposed by the House and \$300,000 as proposed by the Senate.

Amendment No. 29: Appropriates \$300,000 for expenses, general supply fund, instead of \$200,000 as proposed by the House and \$400,000 as proposed by the Senate.

Amendment No. 30: Inserts language relating to the acquisition of tin as proposed by the Senate and appropriates \$8,000,000 instead of \$8,700,000 as proposed by the Senate.

CHAPTER VII

Department of Agriculture

Amendments Nos. 31 and 32: Insert headings.

Amendment No. 33: Reported in disagreement.

Amendment No. 34: Reported in disagreement.

Independent Office

Amendment No. 35: Deletes Senate proposal to appropriate \$25,000 for expenses of the National Monument Commission.

CHAPTER VIII

Department of Health, Education, and Welfare

Amendment No. 36: Reported in disagreement.

Amendment No. 37: Inserts Senate language relative to rescission of unexpended balances in lieu of House language.

CHAPTER IX

The Judiciary

Amendment No. 38: Reported in disagreement.

Funds appropriated to the President

Amendment No. 39: Appropriates \$5,900,000 for the President's Special International Program instead of \$4,687,400 as proposed by the House and \$7,100,000 as proposed by the Senate. The conferees believe that, in allowing a larger amount for this appropriation this year, emphasis should be placed on international fairs; they also believe that participation in artistic and sporting events are of value but should be carefully scrutinized before being approved. They further direct that none of these funds should be allowed for the UISA.

CHAPTER X

Treasury Department

Amendments Nos. 40-44: Technical amendments, rearranging certain items of the bill, are agreed to as proposed by the Senate.

Federal Facilities Corporation Fund

Amendment No. 45: Reported in disagreement.

CHAPTER XI

District of Columbia

Operating Expenses

Amendment No. 46: Appropriates \$308,990 for the Department of General Administration as proposed by the Senate instead of \$300,000 as proposed by the House.

Amendment No. 47: Appropriates \$3,200 for the Department of Occupations and Professions as proposed by the Senate.

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Amendments Nos. 48 and 49: Appropriate \$758,100 for Metropolitan Police instead of \$695,000 as proposed by the House and \$821,200 as proposed by the Senate; and provide that of the sum appropriated \$92,000 shall be derived from the highway fund instead of \$83,000 as proposed by the House and \$100,000 as proposed by the Senate. Included in the sum allowed are funds for six automobiles.

Amendment No. 50: Appropriates \$398,850 for the courts as proposed by the Senate instead of \$379,250 as proposed by the House.

Amendment No. 51: Appropriates \$191,520 for the Department of Public Health instead of \$121,290 as proposed by the House and \$261,750 as proposed by the Senate. Included in the sum allowed is \$14,500 for first aid assistants for the emergency ambulance service. The balance of the funds provided is to be used to grant a salary increase to interns and residents at D. C. General Hospital effective January 1, 1957.

Amendments Nos. 52 and 53: Appropriate \$9,000 for the National Guard instead of \$7,500 as proposed by the House and \$11,600 as proposed by the Senate; and provide that the compensation of the commanding general shall not exceed \$9,000 per annum retroactive to January 1, 1956.

Capital Outlay

Public building construction

Amendments Nos. 54, 55, and 56: Appropriate (to include a detention unit) \$7,922,829 as proposed by the Senate instead of \$7,427,929 as proposed by the House; and provide that of the sum provided \$2,110,500 shall not become available for expenditure until July 1, 1957, as proposed by the Senate, instead of \$1,910,500 as proposed by the House.

CHAPTER XII

Legislative branch

Amendment No. 57: Inserts heading. Amendments Nos. 58, 59, 60, and 61: Reported in disagreement.

CLARENCE CANNON,
GEORGE MAHON,
HARRY R. SHEPPARD (except
amendment No. 20),

ALBERT THOMAS,
MICHAEL J. KIRWAN,
W. F. NORRELL,
JAMIE L. WHITTEN,
GEORGE ANDREWS,
JOHN J. ROONEY,
J. VAUGHAN GARY,
JOHN E. FOGARTY (except
amendment No. 36),

R. L. F. SIKES,
PRINCE H. PRESTON,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
BEN F. JENSEN,
H. CARL ANDERSEN,
WALT HORAN,
GORDON CANFIELD,
IVOR D. FENTON,
JOHN PHILLIPS,
ERRETT P. SCRIVNER,
F. R. COUDERT,
CLIFF CLEVENGER,
EARL WILSON,
GERALD R. FORD, Jr.,

Managers on the Part of the House.

INSURANCE AGAINST FLOOD
DAMAGE

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 617) providing for the consideration of S. 3732, a bill to provide insurance against flood damage, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3732) to provide insurance against flood damage, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

Mr. O'NEILL. Mr. Speaker, at the conclusion of my term of 30 minutes, I will yield 30 minutes to the gentleman from Illinois.

Mr. Speaker, House Resolution 617 makes in order the consideration of S. 3732, a bill to provide insurance against flood damage and for other purposes.

The resolution provides for an open rule and 1 hour of general debate. It also makes in order the consideration of the substitute amendment recommended by the Committee on Banking and Currency now in the bill, and the substitute shall be considered under the 5-minute rule as an original bill.

The bill provides for an experimental program to provide insurance and reinsurance against losses resulting from damage to or destruction of real or personal property due to floods occurring within the United States, its Territories and possessions, and Puerto Rico. The property covered may be owned privately or by a State or local government and agencies thereof.

The bill also provides for an additional form of protection against flood loss by means of a program of federally guaranteed and Federal direct loan contracts designed to provide a line of credit to finance any subsequent flood losses.

The Housing and Home Finance Administrator is authorized to appoint a Commissioner to assist him in carrying out the provisions of the bill. The Administrator is required to compute a schedule of estimated rates to be computed on the basis of the risks involved and which, if collected, would be sufficient to produce enough to pay all claims for probable flood losses over a reasonable period of years. In addition, he will determine the type of property and location of property which may be covered by insurance and reinsurance and the nature and limits of loss or damage in any area.

Loans are to be made only with respect to amounts exceeding the first \$500 of the amount of the flood loss. The face amount of insurance policies issued under the bill cannot exceed \$250,000 per person and cannot exceed \$10,000 for any dwelling unit. This same limit is provided for loan contracts.

The face amount of insurance policies and reinsurance agreements outstanding at any one time under the bill cannot exceed \$3 billion. This amount may be increased, with Presidential approval, by additional amounts not to exceed \$2 billion in the aggregate. The face amount of all loan contracts outstanding shall not at any one time exceed \$2 billion dollars. This amount may also be increased with Presidential approval by an amount not to exceed \$500 million in any fiscal year.

The Administrator is authorized to establish a disaster insurance fund, a disaster reinsurance fund, and a disaster loan fund. He may borrow from the United States Treasury up to \$500 million, and more if approved by the President. All administrative expenses of the Federal Government under the programs provided by the bill are to be paid out of appropriations made by the Congress for that purpose.

Annual reports are required and the annual report for the calendar year 1961 must contain the Administrator's opinion and findings as to the advisability of withdrawing Federal financial aid for insurance policies to be issued after June 30, 1962.

I urge the adoption of House Resolution 617 so the House may proceed to the consideration of this bill.

Mr. Speaker, this legislation is before the House because of the flood that happened in the northeast section of the country in 1954. I recall September 21, 1938, when the first of the hurricanes struck the northeast, a huge cyclonic storm, spawned in the subtropics, with powerful howling winds, massive tides, and torrential rains, leaving in its wake half a billion dollars worth of damage. This was considered at that time to be a freak and could never happen again, but in 1944 the northeast section was again hit, and in 1954, the first being the hurricane, Carol, causing a billion dollars worth of damage, hit the northeast region of this Nation. All electric power, the lifeblood of a modern community, had ceased to flow. A half million men were out of work. Two thousand men were put to work repairing the electric and water systems and literally digging themselves out of the disaster. Hardly had the community struggled through Hurricane Carol when on September 10, 1954, Hurricane Edna struck with tremendous force, with tremendous tides, and winds up to 135 miles per hour. Although people were ready and had made what preparation they could, it again took its toll, and the damage was exceedingly heavy, with hundreds of thousands of people suffering severe losses, and industry suffering terrific financial losses.

At that time, between Hurricane Carol and Hurricane Edna, the members of the Massachusetts delegation met in Bos-

ton. At that time we appointed a special committee to work with the Federal authorities, under the chairmanship of Congressman PHILBIN. The committee was composed of Congressman PHILBIN, Congressman DONOHUE, Congressman BOLAND, Congresswoman ROGERS, Congressman HESELTON, and Congressman WIGGLESWORTH. They did a tremendous job in going all through the area that had been stricken. They came out with a program making recommendations that have already gone through this Congress with regard to the dam sites, that should be included in the appropriation bill this year. They also recommended to this Congress an insurance bill, such insurance as of this type. It is my honest opinion that this bill does not go far enough. It is not sufficient. We should have a stronger bill than this. We should have a general disaster bill. Annually, since 1932, the torrential rains in this country have cost the homeowners and industry about a half billion dollars a year. How much further damage is caused by the cyclones and fire, I do not know, but I do believe that this is good legislation, because it opens the door and will put on the books a statute which will be further amended in the years to come, that will take care of this great problem.

I urge the adoption of House Resolution 617, so that the House may proceed to the consideration of the bill.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. DIES. I know nothing about this bill. I am asking for information. Does the Government issue insurance and also reinsure?

Mr. O'NEILL. As I understand the bill, it does. It invites private industry to come in and participate.

Mr. DIES. You mean the Government issues a contract to the property owner, an insurance policy, and collects a premium?

Mr. O'NEILL. I will say "yes," but Mr. SPENCE can answer far better than I can. I know the answer is "yes." Furthermore, the House and Home Finance Administrator is authorized to appoint a Commissioner, and this Commissioner is required to compute a schedule of rates which, if collected, would be sufficient to produce enough to pay all the claims for flood losses over a period of years.

Mr. DIES. No one would have any benefit unless they paid the premium on a policy?

Mr. O'NEILL. That is correct, yes.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. PHILLIPS. I will ask the same question which the gentleman from Texas asked, except in a little more detail. I confess I have not yet been able to read the report, but has anyone set up a rate, or anything of that kind?

Mr. O'NEILL. I will yield to the gentleman from California [Mr. McDONOUGH], to answer that.

Mr. McDONOUGH. In answer to the gentleman from California [Mr. PHILLIPS] the rates are a matter of consideration. That is a subject to be gone into and developed by the Commissioner. He will have to determine whether the

rates will require a high premium or a medium premium.

Mr. PHILLIPS. If the gentleman will yield further, let me ask another question: Is it intended that the rates charged for the insurance shall cover the entire loss? I mean would this be a self-supporting insurance program?

Mr. McDONOUGH. No, the rates will not cover the entire loss; as a matter of fact the total amount anyone can realize in the maximum is very small.

Mr. PHILLIPS. I do not mean the entire loss to the householder. I mean, is the entire cost to the Government to be underwritten by the premiums to be charged?

Mr. McDONOUGH. It is a matter that experience will have to determine after it has been in operation long enough to know how many people will participate.

Mr. PHILLIPS. This is a rather important question. I am familiar with the problem of crop insurance. It failed at the start on that one point, that there was no way in which we could get money enough through premiums to carry crop insurance. Our fear is that we will never be able to have insurance premiums which will carry this program. I feel that we are in on this proposition to the extent of several billions or dollars a year when it is really rolling.

Mr. McDONOUGH. If the gentleman from Massachusetts will yield I may say to the gentleman from California, [Mr. PHILLIPS] that the committee looked at that part of the bill very seriously and we concluded that we have no way of determining whether the premiums will even approximate the losses until after we have had experience to know how many people will come into the program and buy the insurance.

Also, two protections are given under this bill: You can buy the right to a loan or you can buy insurance.

Mr. PHILLIPS. At the same time that we are being asked to vote here for a tremendously expensive venture with no calculation as to what it will cost, I am concerned as a member of the Appropriations Committee.

Mr. McDONOUGH. Let me emphasize again that this is an experimental program and a costly program, but we hope it can be worked out satisfactorily.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Indiana.

Mr. HALLECK. I might say solely as I have been able to understand this matter, and I have tried to pay some attention to it, it is my impression that the bill as it passed the other body carried certain provisions that I think would have done something to quiet the fears of some of us, including the gentleman from California, as to just what ultimately may be involved here—for instance, as the bill passed the other body there was a limitation of 40 percent on the subsidy to be paid by the Federal Government.

Mr. O'NEILL. That is correct. That is in this bill.

Mr. HALLECK. In the second place, as the bill came from the other body

there was a requirement for full participation. That has been eliminated. In other words, as far as I am concerned, this bill as it is presently before us is too vague and does not carry safeguards.

As far as I am concerned I just could not support the bill in its present form. Whether it can be corrected on the floor or whether we can correct it in conference is another question, but I certainly want to emphasize that as far as I am concerned this bill with the safeguards removed, in my opinion, if it were to become law as written would take us much too far in what surely is an experimental operation but which can turn out to be a very burdensome operation.

Mr. O'NEILL. With regard to the changes between the Senate bill and the bill pending before the House I refer the gentleman from Indiana to the gentleman from Kentucky.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. HAND. I would like to say to my minority leader that so far as the so-called subsidy is concerned, this bill does contain on page 29 the provision that no insurance policy shall be issued for a fee of less than 60 percent of such estimated rate. I think that is either the same or much the same as the Senate provisions.

Mr. HALLECK. I must say that my information on the subsidy arrangement is that there is no such limitation in respect to owner-occupied units, and, of course, that will be the maximum part.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Texas.

Mr. DIES. Is it proposed to establish a revolving fund that is to be administered by the Home Finance Corporation?

Mr. O'NEILL. Yes.

Mr. DIES. How much money will be appropriated for the revolving fund?

Mr. McDONOUGH. The obligation on the part of the Government shall not exceed \$3 billion. You can anticipate a flood disaster, and a number of them over a few years, and we will not assume any more liability than \$3 billion. That is the maximum.

Mr. O'NEILL. The face amount of the insurance policies and reinsurance agreements outstanding at any one time cannot under this act exceed \$3 billion. This amount may be increased with the approval of the President by further amounts not to exceed \$2 billion in the aggregate. The amount may be increased by Presidential authority to a total amount not to exceed \$5 billion in any fiscal year.

Mr. DIES. The Government establishes a revolving fund that cannot exceed \$3 billion?

Mr. O'NEILL. That is correct.

Mr. DIES. Then it issues insurance policies to cover loss from floods?

Mr. O'NEILL. That is correct.

Mr. DIES. Any other disasters?

Mr. O'NEILL. No.

Mr. DIES. Just from floods. No one can tell us how much premium will be required?

Mr. O'NEILL. No. As I have already said, it is in the experimental stage and